From:	Christy Agner
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Subject:	NC Tribune + partner news, Week of January 12-16; legislative update
Date:	Friday, January 16, 2026 5:30:55 PM
Attachments:	Weekly Federal Recap for January 16 2026.msg

Team, please see the NC Tribune and partner news, Week of January 12-16. I had a good series of meetings with the Education policy staff in the NC House and Senate this week, refreshing our legislative priorities, outlining progress in the engineering program expansion, and checking in on ways we might achieve goals through administrative steps while we wait on a state budget. Good progress with Dean Kim Winter and her leadership team to prepare our advocacy materials and strategy as we seek to rejoin the Teaching Fellows program. No update on state budget other than 'post primary.' Y'all, the administrative funding needed to implement HR 1 (Medicaid and SNAP) benefits appears to have big cost estimates. I am unsure how that might affect our WCU NR asks, or the UNCGA's request for 25-26 year enrollment funding. The current budget prediction timeline is early April, at best. Sorry, no nudist RV park updates this week. Enjoy – Christy

Federal (full detail in attached weekly federal recap)
US Department of Education Secretary Linda McMahon
WNC Helene Recovery Co-Chairs Asheville Mayor Esther Manheimer and Helene Recovery Co-chair State Senator Kevin Corbin joined North Carolina Governor Josh Stein in Washington, D.C. on January 14 to meet with North Carolina's U.S. Senators, members of the state's congressional delegation, and federal agencies, emphasizing the need for additional federal funding for ongoing recovery. The delegation planned meetings with HUD—following Asheville's $225 million in CDBG-DR disaster relief funding—and with Acting FEMA Administrator Karen Evans at FEMA headquarters;
U.S. Secretary of Education Linda McMahon visited Fayetteville this week as part of the Department of Education's "History Rocks!" tour, put on by a coalition that includes the America First Policy Institute and Turning Point USA. CityView report of the event is here,
US DOE Post Secondary Education's Higher Education Programs Staff at ED Moves to **Labor** They will be tasked with helping programs receiving federal cash transition to Labor's grants and payments systems — a move that was executed with career and technical education initiatives last year.
State Department is pausing Immigrant Visa Processing from 75 Countries

Congress

- Three additional appropriation bills have been sent to the President, which addresses six of the annual 12 annual bills. The Senate leaves for a week long scheduled recess. The House continues work on the next set of bills
- The House has completed the State Foreign Ops and Financial Services bills and sent to the Senate. The State Foreign Ops bill has some positive outcomes related to various Higher Education accounts. *Latest on Indirect Costs***:** While the Financial Services bill does not contain key higher education funding accounts, the Joint Explanatory

Statement (JES) contains policy language directing the White House Office of Management and Budget (OMB) not to take any action that would change the indirect costs model in effect during FY24.

- Additionally, the JES directs OMB to engage in discussions with the Committees on improvements to the system to identify and recover indirect costs, specifically noting the FAIR model.
- The two largest bills – LHHS – Education and Defense remain unconferenced. There is encouraging chatter that Defense MAY be uncoupled from Homeland Security, as the HS funding package is in limbo due to ICE matters
- The House is moving forward on the Pregnant Student's Right Act. The bill would require colleges to advise pregnant students of their rights, required accommodations and other services

State Agencies

State Auditor's Office released full report on the DAVE act (vacant positions and use of those budgeted position amounts). This report's Executive Summary was presented to the NCGA last week and generated

- Footnote 32: '*OSA also collected long-term vacancy and associated lapsed salary information from North Carolina public universities and community colleges, but those results will be published in a separate report.*'
- Community College System Office response, p 78 and analysis on p.392
- The University of NC System Office was analyzed for the report, according to the Appendix. No information about the UNC System Office was included in the report, and the System Office did not submit a response that is included in the report

NC Commerce released the annual report for NC's task force on child care and early education. One of the findings related to *'Explore partnerships with the University of North Carolina System, North Carolina Community Colleges, and K-12 public school systems to increase access to child care for public employees and students'* Page 27 begins the section detailing progress on this goal, including Haywood Community College. Three action opportunities were identified for future work, including a 'landscape analysis'

NC State Board of Elections acted on Jackson county's early voting location plan for the 2026 primary. On a split vote, the Board adopted Jackson County Board majority's proposed plan, which eliminates the WCU Hinds Center as an early vote site for the 2026 primary. 2026 would have been the 10th anniversary of the voting site at the Hinds student center.

> Carolina Public Press [Excerpt *In Jackson County, the local election board's Republican majority decided that having two voting sites within 2 miles of each other was redundant. So, they removed a longstanding site on Western Carolina University's campus that has been proven to boost youth voter turnout. State board member Millen questioned why Jackson County would go down from 5 to 4 sites when its population is growing. Jackson County Republican Chair Bill Thompson said the WCU campus was inconvenient because of a difficult parking situation. On the other hand, Democratic*

board member Betsy Swift said even though the closest voting site to campus is not far, the road to get there is a dangerous highway without sidewalks. Many freshmen and sophomores do not have cars, and the college transportation system does not go to the nearby voting site Recent WCU graduate Taylor Bucklin teared up after the vote when talking about student voting access. While she was a student, Bucklin did substantial work, both nonpartisan and partisan, to increase voter turnout. Bucklin said it was frustrating to watch people who don't know Jackson County or WCU tell them what was best for them.

"It's like that Washington Post quote: democracy dies in darkness." she said. "Democracy dies when people don't care and it's not available to them." The state board members voted along party lines to remove the WCU site.

Smoky Mountain News Excerpt: *The majority also argued that the existing WCU Health and Human Sciences Building, proposed by minority members as an alternative campus-adjacent site, presents accessibility challenges due to walking distances, stairs and internal navigation. Minority members disputed those claims and argued that the cost savings cited by the majority are overstated. Their analysis, based on staffing requirements and the high volume of same-day registrations typically handled at the campus site, estimates savings closer to $6,000 rather than $20,000. They also note that both the parks and recreation facility and WCU have offered suitable voting spaces at no cost to the county. A central point of disagreement concerns transportation and pedestrian access. Minority members contend that the parks and recreation facility is approximately 1.7 miles from the center of campus, lacks public or university-provided transportation and is effectively inaccessible on foot due to the design of U.S. 107, a busy four-lane highway with no sidewalks and narrow shoulders. They estimate that walking from campus to the Parks and Recreation site takes roughly 40 minutes one way and note that approximately 68% of WCU students do not have personal vehicles.*

According to materials submitted to the state board, the HHS building offers reserved voter parking within 200 feet of the entrance, curbside voting access, ADA compliance, secure space dedicated to elections and familiarity to the broader community, having hosted public clinics and COVID-19 vaccination events serving thousands of county residents.

News and Observer [Excerpt: *The State Board of Elections also voted against including Sunday voting in six counties that had disagreed on the issue and cut a longtime early voting site at Western Carolina University…In total, Republicans on the State Board of Elections rejected plans to include early voting sites at four different universities: UNCG, NC A&T, WCU and Elon University. All of those sites have been used at some point in the recent past, but WCU's is the only site that had been used in the most recent comparable election, which was the 2022 primary.…."If the WCU site is eliminated, youth voter turnout would decline," Betsy Swift, a Democratic member of the Jackson County Board of Elections, said. "Fewer young voters would establish lifelong voting habits. Voters would shift to other sites, increasing congestion, same day registration workload and staffing burdens." Jackson County Board Chair Bill*

Thompson, a Republican, said students should be able to navigate the changes. "I would remind everyone that we when we talk about students, we're not talking about kindergarteners who need help tying their shoes and opening their milk cartons," he said. "We're talking about adults who are seeking their postsecondary education. These adults have demonstrated above-average ability and mobility."

NCGA

Medicaid Oversight heard from federal and state officials re: implementation of federal HR.1 Medicaid work requirements f

NC Commerce Workforce Solutions presented on the resources available from NCWorks Center to assist with individuals seeking work or training as a criterion for compliance with the new work requirements. Note that NC Works scknowledges an inability to scale up, due to federal funding reductions (WIOA).

NC Health and Human Services detailed enrollment and eligibility changes for NC Medicaid, per HR. 1. For any students or employees impacted by new eligibility changes, more information and more frequent compliance will be required. Medical providers will received increased requests for medical documenttaion to support determinations.

Health and Human Sciences Oversight heard from federal and state officials re: implementation of federal HR 1 SNAP eligibility and work requirements. North Carolina is one of ten states where counties administer the program. N.C. counties are required to meet the entire non-federal match for SNAP administrative funds. Beginning October 1, 2026, SNAP work requirements will apply to able-bodied adults without dependents (ABAWD) ages 18-64 (was 18-55) and parents of children over age 14 (was 18) and veterans, people experiencing homelessness and young people who have aged out of foster care (these three categories were previously exempted).

The Department detailed awards to NC for the Rural Health Transformation Program and early details around the $213m award to NC. I heard that the Sheps Center / UNC System Office application of $10m came in with a $1m award. The funds have a 5 year runway.
Other committees that met and included presentations of interest include

- House Select Committee on Involuntary Commitment and Public Safety. Presentations are here
- House Select Committee on Property Tax Reduction and Reform. Presentations are here. Fantastic presentations on what local Property Tax's pay for / cover –
    - Municipalities (shall): police protection, fire response, solid waste collection and disposal, street maintenance, water distribution, street construction and right of way acquisition, sewer distribution, street lighting, zoning
    - Counties (shall): Law enformcenet, Jail, Medical Examiner, Court facilities, Building code enforcement, public school support, Social service, public health , mental health, deed registration, election administration tax assessment

    - Both (may): Ambulence, Water/Sewer, solid waste collecton / disposal, Fire protection, law enforcement, land use regulation, libraies, hospitals, parks and recreation, tax collection ,animal control
- America's 250 Committee
- Emergency Management Oversight – NC Emergency Management ED presented, including identification of vacancies at the state and local level that impacted response and recovery related to Hurricane Helene. WCU has a popular EM BS and
- Justice Public Safety Oversight. Presentations are here.

Partners

Martin Center for Academic Renewal looks at 'disabilty' figures at NC Colleges in 'Accmodation Nation" in the UNC System. Excerpt" *a glance at figures provided by the institutions reveals a steady upward creep that is cause for concern if not outright dismay. Moreover, a number of UNC System schools that maintained modest disability percentages until recently have experienced sudden, massive jumps in the last few years. While these phenomena may be entirely innocent, they are highly suggestive of loosening assessment standards in disability-services offices, where a larger "case load" inevitably means more funding, higher staffing levels, and greater prestige on campus……All of the schools just mentioned, as well as UNC Wilmington, Western Carolina University, and App State, are on clear upward trajectories.*

*Chart #1"*WCU % of UG registered as "students with disabilities' is listed from 2017-18 (3% or less) to 2023-24 (8%). The story references UNCA, UNCCH, NC Central, WSSU, UNCW, WCU,ASU, UNCG, ECSU and UNCSA

Chart #2 "WCU 7-Yr avg disability % (5.29), Avg cost of attendance after grants and scholarships ($13,767), % of UG cacusian (74.40%), % of UG Female (57.60%), Nichel.com political orientation (balanced)

Martin Center for Academic Renewal released model policy addressing taxpayer funding to certain academic research. The policy is here

Asheville / Buncombe Martin Luther King Jr. Association holds their 45th annual community breakfast this Saturday. WCU will have a table with our CCESL team, as well as hosting elected officials nd NC GROW state colleagues.

The **Knight Commission on Intercollegiate Athletics** held a sessoin at the NCAA conference this week. The slide deck, and video recording is available here. I participated and took notes. THIS is worth a watch – and covers the issues and bill vehicles in Congress.

Statewide News

A report commissioned by North Carolina Emergency Management concludes that staffing shortages at the state and local level compromised the state's response to Hurricane Helene. Sixteen months removed from the devastating storm, staffing and the funding structure for the state's emergency management apparatus continue to create constraints. There are 116 vacancies at the department, with 85% of those being federally-funded positions, director Will

Ray told the Joint Legislative Emergency Management Oversight Committee on Thursday. Of the vacancies, 56 come from the Disaster Case Management Program established in conjunction with the federal disaster declaration. That program is scheduled to sunset over the course of this year. Overall, 80% of Emergency Management's operating budget is receipt-funded through the federal government. See presentation materials above in the NCGA section.

House Speaker Destin Hall's property tax committee may embark on a side quest, as it's hearing complaints about a court-opened loophole that can allow some apartment-complex owners to claim an exemption from local taxation. The concern comes from the N.C. Association of County Commissioners and the Self-Help Credit Union and concerns the fallout of a 2013 Court of Appeals decision. It set up a balancing test, legislative staffers say, to guide tax officials when the ownership of a project has nonprofit and for-profit players. Originally, it was meant to protect the ability of public-housing authorities to get private-sector investors to put money into affordable-housing developments financed with low-income housing tax credits. But the county association and Self-Help worry that it's enabling canny investors to lay claim to property tax exemptions normally reserved for charities. From 2013 to about 2022, there wasn't a problem, but of late, there's been a noticeable increase in filings for exemptions. Just in Wake County, the number of exempted properties has almost doubled in just four years. "Most of these are not something that's being built new," said David Baker, the country association's director of tax and revenue outreach. "These are existing complexes that are already out there and being taxed. Now, all of a sudden become exempt because someone has structured ownership differently." Self-Help staffer Ben Justus says this involves a for-profit owner partnering with what he terms a "rent-a-nonprofit," often just a shell corporation with one or two people behind it.

Unlike a genuine tax-credit project, where the nonprofit's in charge, in these instances, the for-profit is the one driving the train, he said. The trick comes in doing enough renovations to a complex to justify raising rents, but not raising them so far as to push them above the typical benchmark for an affordable-housing project, 80% of area median income. "We have seen lawyers and brokers starting to market this rent and nonprofit structure to clients," Justus told the House select committee on property taxes. For counties, the trouble comes via the lost revenue — and the risk of even bigger losses in the future. In Wake County, 94% of multifamily units rent for below the 80%-of-median-income target and are thus ripe for this kind of play, Justus said. "The loss of tax revenue at the county and municipal level could lead to higher property taxes for homeowners, which none of us want," he said. "With these rents and nonprofits, we are seeing public funds going into private pockets, often with no public benefit." He added legislators can clarify state law, at least to require long-term affordability and nonprofit control as a condition for claiming the exemption

Property tax exemptions already widespread: State law already exempts about 12% of all real estate in North Carolina from property taxes, legislative staffers told House Speaker Destin Hall's tax-reform panel on Wednesday. That amounts to $222 billion in assessed value, out of $1.8 trillion total. All told, the exemptions cost local governments around the state about $2.1 billion a year in potential revenue, Fiscal Research Division staffer Brent Lucas

said. Of that, $1.1 billion (just over half) is tied to government property belonging to the feds, the state or local governments, he said. Churches are the next-biggest beneficiaries of property tax breaks, collectively having escaped potential billings of $255 million in fiscal 2024-25. Exemptions for private schools and universities — like Duke, Wake Forest, Campbell and Davidson — took another $180 million off the table. The law likewise shielded nonprofit hospitals like Atrium's Carolinas Medical Center in Charlotte and Wake Forest Baptist in Winston-Salem from $130 million in levies. The next-highest loss from exemptions is from low- and moderate-income housing projects and amounted to a $60 million loss. Exclusions here rose 22% in fiscal 2023-24 and another 54% in fiscal 2024-25. Even though Hall has signaled a desire to ease the bite on the wallets of local homeowners, it did not sound like the committee has any interest in revisiting most of the exemptions. "The one thing I want us to keep in mind as we consider this is the value they bring to the community," said Rep. **Keith Kidwell**, R-Beaufort. "We have ECU Health. They're the largest employer in my area, including [for] people that live in my counties. So while we give them a tax break on the property tax, they bring a lot of value to the community. "The schools are the same thing. So we want to be careful in that consideration

Higher Education News

Davidson lands $4M grant to boost civil discourse *(Business North Carolina)* Davidson College received a $4 million federal grant to create a Deliberative Citizenship Network aimed at promoting civil discourse on controversial topics. The four-year award, the largest competitive government grant in the college's history, will support students and educators at 100 campuses nationwide through Davidson's Institute for Public Good.

Charlotte getting another law school Elon University plans to start a full-time law program on the campus of Charlotte's Queens University in the fall of 2027, the school announced Tuesday. Elon started a nighttime, flex law school in Charlotte in August 2024 that now has 83 students between two classes. That program will move from its leased office space in the South End neighborhood to the Queens University campus in the Myers Park area. Before Elon's launch, Charlotte was one of the largest cities in the country without a law school. In 2006, Elon opened its law school in downtown Greensboro, 20 miles west of the university's Alamance County campus. It admitted 182 new students this fall, its largest class ever, said Dean Zak Kramer. Pending approval by the American Bar Association, the full-time law school in Charlotte will start with 75 students in the fall of 2027 and add 25 first-year students each year until it has a class of about 175 students. Read more **in this report**

Why the state's investment arm bought a Raleigh office building Zachery Eanes/Axios Raleigh A pair of Raleigh's newest office towers has been sold for $210 million — a significant decrease from the record sum of $330 million the two towers

fetched in 2022. Why it matters: The new owner is a partnership between Raleigh's largest landlord, Highwoods Properties, and the North Carolina Investment Authority, an entity formed last year by state law to manage investments for the state's pension plan. Previously, the state's pension plan's investments were decided solely by the state treasurer. Now, a five-person board directs its strategy, including this latest move to diversify its investment assets. Zoom in: The Bloc[83] towers — two 10-story office buildings totaling nearly 500,000 square feet of space — are 97% leased, a strong number for a downtown office market hit hard by remote work. They were completed between 2019 and 2021. Tenants include: WeWork, Envestnet and McAdams, as well as dining options like Incendiary Brewing and Dram & Draught. **[Read more here]**

UNC's app redesign drives student engagement Joshua Bay/Inside Higher Ed What was once an underused mobile app at the University of North Carolina at Chapel Hill has been rebuilt to serve as a central hub for student information and services. The app, Hello Heels, was relaunched during first-year orientation last fall after undergoing a redesign following input from students through advisory boards, focus groups and surveys. Since the relaunch, the app now draws about 90,000 page views per week from roughly 37,000 users—up from 10,000 page views and 6,000 users before the redesign. Elizabeth Poindexter, executive director of communications and special projects in UNC's Office of Student Affairs, said students rely on the app for "real-time" updates on everything from bus tracking to dining hall offerings. "Nothing thrills me more than running to the dining hall to grab my own lunch and seeing a student using the app or talking to their friends about it," said Poindexter. **[Read more here]**

UNC-CH making big change to student health service UNC Chapel Hill officials announced on Tuesday that North Carolina's state-owned hospital system will "lead and administer" the university's **Campus Health** service in the not-too-district future. The move comes amid a campus-wide cost-cutting initiative and targets a service the university's **"all-funds" budget** for fiscal 2024-25 said was running at a $6.3 million deficit of expenses over revenues. Chancellor Lee Roberts and UNC Health CEO Cristy Page said the move would take effect this fall "at the earliest." "This is an opportunity to strengthen the connection between our students and the state's premier health care system," they said in a **campus-wide email**.
They also said the move "could enhance continuity of care for students both on campus and across North Carolina" because of UNC Health's extensive network of hospitals and clinics. For being a teaching hospital, it also can provide students the benefits of "the latest advances in clinical practice and innovation," Roberts and Cristy said. The transition "remains in the planning phase," they added. Campus Health provides care to students and postdoctoral fellows. The **university charges** all students a mandatory

$410/year student health fee. Students also need health insurance, and if they don't already have a policy, the university offers two plans that cost about $2,454 or $3,167 for the full year. Historically, student health services like UNC Chapel Hill's have been an arm of the campus administration. At the UNC System's other top-three-largest schools, **NC State** and **UNC Charlotte**, they're under the umbrella of the student-affairs office, albeit with health care professionals in charge. That's also the case at **Duke**, a private university that like Chapel Hill has an affiliated hospital system. **NCSU's 2024-25 budget** had its service operating at a slight deficit, $502,261 before the use of fund balance. **Charlotte's** is budgeted to run $1.5 million in the black in the current fiscal year. The Raleigh and Charlotte campuses are charging mandatory student-health fees of $470 and $355, respectively, according to the UNC System. UNC Chapel Hill officials said working groups planning the transition will assess the university's student-health fee, deciding which costs it should cover and which should be "filed to health insurance." They noted that UNC Health is in-network for "most plans used by students." The *Daily Tar Heel* reported that Roberts says UNC Health eventually may extend a similar integration offer to other UNC System campuses. The paper also voiced concern the move may expose students' health data to their families, via billing to their parents' insurance, despite HIPAA privacy requirements. With rare exceptions, students are emancipated adults.

'Slap in the face': Children of veterans scholarship partially revoked for about 100 UNC students Tulsi Asokan/The Daily Tar Heel Recipients of the North Carolina Scholarship for Children of Wartime Veterans were notified in November that their spring 2026 awards would be reduced or "prorated" by 25 percent, and the notice attributed the reduction to limited funding amid delays in passing a state budget. The scholarship originally covered full tuition, room and board at North Carolina's public institutions for children of deceased or disabled wartime veterans, according to the North Carolina Department of Military and Veterans Affairs website. In addition to retroactively taking away some funding from current recipients, the scholarship is also expected to remain closed to new applicants who are seeking funding for the 2026-27 academic year. About 100 students at the University are currently affected by the scholarship reduction, Associate Provost and Director Jackie Copeland of the UNC Office of Scholarships and Student Aid wrote in a statement to The Daily Tar Heel. **[Read more here]**

Regional News

Thermo Fisher to close Asheville-area plant, cut 421 jobs Thermo Fisher Scientific plans to shut its Weaverville facility north of Asheville, laying off 421 workers through 2027. The company said operations will be phased out as product lines shift to other U.S. sites, citing changing customer demand. The plant was a major local employer and

taxpayer.

Park Visits: Attendance at Great Smoky Mountains National Park, the country's most-visited national park, dropped for second year in a row. But the longest federal government shutdown in history is not all to blame for the 2025 decrease. For the first time since 2018, fewer than 12 million people visited Great Smoky Mountains National Park in 2025, according to preliminary attendance data from the National Park Service. There were just over 11.5 million visits last year, a 5.4% drop from 2024, which had nearly 12.2 million visitors. Great Smoky Mountains National Park closed only briefly during the 43-day government shutdown in October and early November. The park largely remained open due to outside funding from state and municipal leaders who came together and chipped in so park staffers could keep working over the popular autumn weeks. November visitation was down 14.6% compared to November 2024, even though the shutdown ended Nov. 12. The 2025 attendance at the park is the lowest since 2018 and, at the same time, the seventh-highest in history. *Knoxville (TN) News Sentinel*, 1/15/26